

## **DHS-023 Amendment To the Iowa Plan for Behavioral Health Contract**

This Amendment to Contract Number MED-09-020 is effective July 1, 2013, between the Iowa Department of Human Services (Department) and Magellan Behavioral Care of Iowa, Inc. (Contractor).

### **Section 1. Amendment to Contract**

**Revision No. 1: Amendment to the RFP Scope of Work.** Section 4A.3.1 of RFP MED-09-010, which is incorporated into the Contract by reference, is hereby amended to read as follows:

#### **4A.3 COVERED SERVICES FOR MENTAL HEALTH CONDITIONS**

##### **4A.3.1 Covered services are those which are included in Iowa's Medicaid State Plan**

The Contractor must provide at least as much access to medically necessary mental health care as was provided in the Medicaid fee-for-service delivery system prior to the implementation of managed care. The Contractor shall use the criteria for psychosocial necessity for determining the medical necessity of a mental health services.

The Contractor may not propose a continuum of care that sets limits on the amount, scope or duration of these services which are not imposed in the fee-for-service program as reflected in the Iowa Administrative Code 441 Chapter 78 and the Iowa Medicaid State Plan.

The Contractor must develop a network of appropriately credentialed mental health service providers, supported by written agreements, to assure availability of the following services to address the mental health needs of both adults and children:

- ambulance services for psychiatric conditions;
- emergency services for psychiatric conditions, available 24 hours per day, 365 days per year;
- inpatient hospital care for psychiatric conditions;
- dual diagnosis mental health and substance abuse treatment provided at the state mental health institute at Mount Pleasant;
- outpatient hospital care for psychiatric conditions, including:
  - intensive outpatient services;
  - individual and group therapy;
  - medication administration;
  - activity therapies (within the milieu of placement, not as a stand-alone service);
  - family counseling;
  - partial hospitalization;

- day treatment;
- psychiatric physician, advanced registered nurse practitioner services, and physician assistant services including consultations requested for Enrollees receiving treatment for other medical conditions;
- specified mental health services provided by non-psychiatric physicians, advanced registered nurse practitioners, and physician assistants (see Section 4A.4.4);
- services of a licensed psychologist for testing/evaluation and treatment of mental illness;
- services in state mental health institutes for Enrollees under the age of 21 or through the age of 22 if the Enrollee is hospitalized prior to the Enrollee's 21st birthday;
- services in state mental health institutes for Enrollees 65 and over;
- services provided through a community mental health center, including:
  - services of a psychiatrist;
  - services of a clinical psychologist;
  - services of a licensed social worker;
  - services of a psychiatric nurse;
  - day treatment;
- home health services;
- medication management and counseling by appropriately credentialed professionals such as pharmacists, or physician assistants;
- medication compliance management;
- psychiatric nursing services by a home health agency;
- psychiatric or psychological screenings required subsequent to evaluations for persons applying for admission to nursing homes;
- services of a licensed social worker for treatment of mental illness and serious emotional disturbance;
- mobile crisis services;
- mobile counseling services;
- programs of Assertive Community Treatment;
- mental health services determined necessary subsequent to an Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program screening, and
- second opinion as medically necessary and appropriate for the Enrollee's condition and identified needs from a qualified health care professional within the network or arranged for outside the network at no cost to the Enrollee.

- Habilitation Services.
- Behavior Health Intervention Services (effective 7/1/2011), inclusive of services described in the federally approved Iowa Medicaid State Plan at Supplement 2 to attachment 3.1-A pages 12-13 (paragraph beginning "Rehabilitative services").
  - Behavioral health intervention services shall include intensive behavioral intervention for children with autism, adhering to evidence based best practices that demonstrate improved outcomes for children, including applied behavior analysis models of care. Applied behavior analysis has been shown by multiple research studies to be the most evidence based course of treatment for children with autism.
- Psychiatric Medical Institution for Children (PMIC) services.
  - Measures of the Iowa Plan's performance in managing PMIC services shall provide a global review of the program and mirror, to the extent possible, the performance requirements of the PMIC provider performance standards and member measures.
  - The Contractor shall maintain the current rate setting methodology for base rates for PMIC services. In maintaining the current rate structure for PMICs in the first year under the Iowa Plan, rates will be based on actual and allowable costs to a maximum rate. The maximum rate will be 103% of the statewide average plus inflation. Under this methodology, the rate is expected to increase (retroactively) from \$189 per day to \$192.74 per day in July 2011 and \$202.80 from August 2011 through June 2012. For FY2013, the facilities will submit cost reports to the IME as they do today and will be paid an interim rate by the Contractor based on previous years retrospectively calculated rate. Based on the IME's calculations, the Iowa Plan will conduct a retroactive cost settlement with each of the PMIC providers to adjust claims to the final rate.

With the exception of those services provided in an inpatient setting, the cost of prescription drugs and laboratory testing for Iowa Plan Enrollees receiving mental health services are not included in the Iowa Plan. Cost of prescription drugs and laboratory testing outside an inpatient care setting will be paid for all Enrollees through the Medicaid fee-for-service program.

#### 4A.3.1.1 Definition of Services.

The Contractor shall provide Habilitation Services to Iowa Plan enrollees.

- a. The Contractor shall require a comprehensive assessment of all behavioral health services that an individual may need, not only Habilitation Services, and shall ensure that these services fall within a comprehensive treatment plan individualized to meet the member's mental health needs.
- b. The Contractor shall ensure coordination with child welfare services to meet children's mental health needs.

#### 4A.3.1.2 Utilization Management Guidelines and Authorization of Services

- a. The Contractor shall develop and obtain Department approval, on an annual basis or as otherwise directed by the Department, Utilization Management Guidelines consistent with other Iowa Plan Utilization Management Guidelines.
- b. The Contractor shall model its authorization for Habilitation Services after the authorization model it currently has in place for the Iowa Plan.
- c. The Contractor shall require a child's parent or caregiver participate in the development of the individual treatment plan when the individual resides in the community.
- d. The Contractor shall pay contracted providers in the network at the rate in effect under

the Medicaid program and shall develop and implement a fee schedule methodology to be effective no later than July 1, 2014.

**Revision No. 2: Amendment to the Contract.** Section 2.1(3)(b)(1)(a) of the Contract is hereby amended to read as follows:

**2.1(3)(b)(1) Community Reinvestment Account**

a) The Contractor shall establish a Community Reinvestment Account as an account separate from other accounts required in Section 6.6 of the RFP and any other accounts that may be required by state or federal law. The Community Reinvestment Account shall be funded by the Contractor in three ways:

- at least quarterly the Contractor shall transfer into the Community Reinvestment Account 1.5% of the total capitation payment;
- all moneys assessed by the Departments as disincentives or liquidated damages shall be paid by the Contractor to the Community Reinvestment Account, and
- after the close of each contract year after services for that year are reimbursed, all moneys remaining in the Medicaid Claims Fund shall be transferred to the Community Reinvestment Account.

**Revision No. 3: Amendment to the Contract.** Section 2.1.(3)(a) of the Contract is hereby modified by adding the following at the end of the subsection:

Effective July 1, 2013, Contractor's administrative fee that it may retain from the capitated rate payments shall be 10.4% of the capitated payments.

Effective July 1, 2013, 1.2% of the SFY 2014 capitation rates will be set aside to pay the health insurer fee and associated tax impact.

**Revision No. 4: Establishment of SFY 2014 Rates.** The parties mutually agree to adopt the Department of Human Services (Department) capitation rates for Medicaid members determined by an independent actuary to be actuarially sound. These rates were established pursuant to the calculation performed by Milliman, Inc., with whom the Department contracts to determine actuarially sound capitation rates according to 42 CFR 438.6. The rates found in the table below by category and age range are effective for all enrollments for months of eligibility of July 1, 2013 and forward until changed by contract amendment.

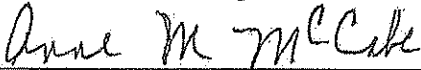
CATEGORY/AGE RANGE	FEMALE	MALE
FMAP 0 – 17	\$22.44	\$27.13
FMAP 18 – 64	\$39.37	\$29.78
SSI 0 – 17	\$63.30	\$84.20
SSI 18 – 64	\$194.09	\$200.24
Dual Eligibles 0 – 64	\$152.24	\$183.09
Foster Care 0 – 9	\$106.78	\$172.85
Foster Care 10 – 22	\$624.64	\$746.89
Dual Eligibles 65+	\$8.51	\$12.93
Non-Dual Eligibles 65+	\$19.79	\$13.44

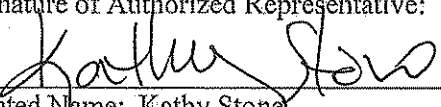
**Section 2. Ratification, Authorization & Contingency**

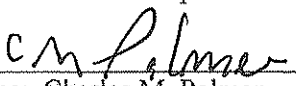
Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This amendment is subject to and contingent upon CMS approval.

**Section 5. Execution**

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

<b>Contractor, Magellan Behavioral Care of Iowa, Inc.</b>
Signature of Authorized Representative: 
Printed Name: Anne M. McCabe
Title: President, MBC of Iowa
Date: 9-23-13

<b>Iowa Department of Public Health</b>
Signature of Authorized Representative: 
Printed Name: Kathy Stone
Title: Director, Division of Behavioral Health
Date: 10/7/13

<b>Iowa Department of Human Services</b>
Signature of Authorized Representative: 
Printed Name: Charles M. Palmer
Title: Director
Date: 10-3-13